

Energy Bill Floor Speech - U.S. Senator Amy Klobuchar  
*Monday, June 18, 2007*

Mr. President, I'm here to speak to some amendments to the energy bill which the Senate debated last week and is continuing to debate this week. The first is an amendment that I introduced last week along with Senator Snowe, where we are joined by many senators, including Senator Bingaman, who is managing the bill on the majority side, as well as Senator Collins and Senator Coleman, as well as Senator Kerry and Boxer and Senator Carper. There are a number of people supporting this bill throughout the United States Senate because they understand that if we're going to discuss any kind of climate change policy going forward, we at least need to have accurate information.

Other countries are doing this quite successfully. The idea is to have one gathering place for information and that would be our EPA, and the bill gives them latitude to set up as they would like. But the item is to have one place for a carbon registry or to make it easy, a carbon counter. I figure, Mr. President, if weight watchers can have a calorie counter, we can have a carbon counter. Now, what's interesting about this is the type of business support that we've seen for action in this area.

Obviously we've seen action across our states in places like my state of Minnesota, in places like California and Arizona and New Jersey, really all over this country. I've often said that the states have taken the lead here, that they've been more than the laboratories of democracy. That they've been the aggressors. One of our national magazines this week has a picture of Governor Schwarzenegger and Mayor Bloomberg out front saying, why do we need Washington because they're moving so quickly? Well that cover says it all.

We need to lead national energy policy and we need to at least gather the information that we need to make good decisions about climate change policy going forward. Now, as for the businesses, in January it might quite a big splash when some American businesses came together to form the US climate action partnership. They actually urged Congress to fast-track a greenhouse inventory. They asked that it be done, Mr. President, by the end of this year. And with my short time in the Senate here, I realized that you can't wait until September or December to get this thing pass fundamental you're actually going to get it done by the end of the year. You need to get it passed now.

Let me go through the companies that are part of this US cap group that's advocating for change, that's acknowledging that climate change is an issue and is advocating for a national registry. Include Alcoa, they include American Industry group or AIG., Boston scientific, BP America, Caterpillar, ConocoPhillips, Deere and Company, the Dow Chemical Company, Duke Energy, Dupont, General Electric, General Motors Corporation, Johnson & Johnson, Marsh Inc., Pepsico, PG&E Corporation, PNM Resources, Shell, Siemens, these are the kind of companies I've been talking about. There's been some concern by the national Chamber of Commerce. It kind of surprised me.

First of all, we have a number of good business Democrats as well as good business Republicans on this bill. That understand that you don't want 31 states doing their own national climate registry. I don't have a problem with it because there's no choice, it's the right thing to do, but in fact, it is much better if we do this on a national basis involving the United States government.

Responding to the challenges that these businesses laid out, the Klobuchar – Snowe - Bingaman amendment establishes a national greenhouse gas registry that will gather and consolidate consistent, transparent, and reliable data on greenhouse gas emissions at the facility level. The amendment, as I mentioned, requires the environmental protection agency to consider costs and coordinate with existing federal and state programs in implementing the registry.

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The new registry only covers major emitting facilities and major sources of fossil fuels. Utilities already reporting under the clean air act would not have to report their data twice. Now, how this is working now is just a patchwork of reporting. Some industries are reporting to the energy department, some industries are reporting to the EPA, some are reporting every three years, some are reporting every year, and it makes it very difficult to get the kind of greenhouse gas emissions data that we need to make adequate decisions about climate change legislation.

And let me say that this bill that we have here, the three Republicans on it, several Democrats on it, does not in any way dictate what our next step will be for climate change; it just puts the data in place, as these major companies asked for, and fast tracks it by the end of the year. I also note that for facilities facing burdensome costs in purchasing advanced monitoring equipment, the EPA would accept basic fossil fuel data, which is collected by businesses for general accounting purposes. The EPA would then calculate emissions based on that fuel data.

The amendment also specifies that confidential business information would not be published; however, we will have a web site which would at least give the greenhouse gas emissions data out to the public. There was a recent report by National Public Radio that showed that a reporter tried to find out what are some of the larger emitters of greenhouse gases in this country, she was unable to figure it out. She could figure it out in Canada. And because greenhouse gases are invisible, it's very difficult to do just by looking at businesses.

The registry excludes small businesses, Mr. President, as defined by the small business administration, that's less than 500 employees that emit less than 500 metric tons of greenhouse gas per year.

This amendment makes a lot of sense. It's a commonsense amendment, and I'm going to be urging my colleagues to support it in the next two days. If we can't take this simple step when we're looking at an energy bill, as we're looking at a new direction for energy policy and we're looking at great new ideas for buildings and appliance -- I heard somewhere building a fridge to the 21st century -- as we look at the possibility of raising the gas mileage standards and setting standards in a way that will spur investment across this country, we have to put in place at least the building blocks, sensible building blocks toward a new climate change policy.

And, Mr. President, the other thing that I would like to address today on this vital topic of energy security is the role that I believe renewable fuels ought to play in meeting our nation's future energy needs.

The United States today spends more than \$200,000 per minute on foreign oil. That's \$200,000 per minute, that's \$13 million per hour. The money is shipped out of our economy adding to our enormous trade deficit and leaving us vulnerable to unstable parts of the world to meet our basic energy needs. Oil companies would have you believe that energy security is decades away, that we need some new technology, some vehicle of the future before we can break the stranglehold that oil has on us. I believe we're going to see this new technology. I believe we're going to see these vehicles of the future, but meanwhile, we just can't sit and wait and wait and wait. We have to start now.

Any Minnesota farmer can tell you that one way to go about this is with homegrown renewable fuels. They're here today. You ask someone in Brazil with issuing sugar cane, they've become energy independent, they've moved to homegrown energy. In our state they're ready to use this homegrown energy and they believe that it will help us to break free from our addiction to oil.

Consider this, Mr. President: in 2006, ethanol offset the need for 170 million barrels of imported oil and kept \$11 billion in rural America. Consider this as well: a flexible fuel vehicle

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driven on 85% ethanol fuel offsets 477 gallons of gas per year. A hybrid electric vehicle saves just 94 gallons. This means that flex fueled vehicles run on high blends of renewable fuels and are, by far, our best near term opportunity for energy independence. And obviously the best is to combine these vehicles.

Renewable fuels also have tremendous potential to revitalize our rural economies. Ethanol has been nothing short of a revolution in our state. We have 16 ethanol plants up and running and five more under construction. By 2008, Minnesota will be producing one billion of ethanol each year, and that will generate \$5 billion for the state's economy and support 18,000 jobs.

Last year, my daughter did a report for her sixth grade class on ethanol, and she interviewed a number of farmers throughout Minnesota. And she drew a big picture with the state of Minnesota on it, and she had two little dots that said "Minneapolis" and "St. Paul," and then she had this huge circle that said "Pine City, home of farmer Tom Peterson." well, that is the future of rural America. That's what's revitalizing so many of our towns.

And of course, we started with corn-based ethanol and soy-based biodiesel and now we're moving to a new level with cellulosic ethanol. We're focusing on switchgrass and prairie grass and something that's carbon-neutral, something that our hunters are very interested in Minnesota.

And I know your brother, who lives in Minnesota, Mr. President, is especially interested as a hunter in having that habitat that we need. Some spite of the clear advantages of renewable fuels to our economy and our energy security, we face a chicken-and-egg type problem when it comes to the challenge of making them available to more drivers. The automakers haven't traditionally wanted to sell flex fuel vehicles in areas where there are no e-85 pumps and the gas stations don't want to put in any e-85 pumps when there's no flex fuel vehicles.

That's why I'm so pleased that the amendments that came out of the Commerce Committee, on which I serve, included not only the increase to the gas mileage standard, but also a requirement that by 2015 that 80% of the vehicles produced be flex fuel. And in order to ensure that the drivers who purchase the flexible fuel vehicles know that they can use e-85, our language requires automakers to put that information on the fuel tank cap and to put a flex fuel emblem on the back of the vehicle that drivers will be able to recognize.

On the other end of the problem, the ability for consumers to fill up their cars with ethanol and biodiesel, it is crucial that congress act to provide more American drivers with access to renewable fuel pumps. Right now, Minnesota ranks first in the country, Mr. President, for e-85 pumps. We have more than 300. I think the last number i heard was 314 of the 1,200 pumps nationally, far more than any other state.

That's great for Minnesota and it shows the vision of our state government in Minnesota, but it limits the positive impact that renewable fuels can and should have on the entire nation's security. If we are serious about finding alternatives to foreign oil, we should ensure that drivers in every state have access to e-85 and biodiesel. That's why I want to speak to two amendments to the energy bill aimed at making renewable fuels available across the country. Senator Bond and I have introduced an amendment that would provide grants to promote the installation of e-85 and biodiesel pumps as gas stations nationwide.

I'd also like to thank Senator Voinovich, Senator Hagel, and Senator Kerry for their support of this amendment. In past years, Congress has only provided a small amount of money each year for e-85 infrastructure. And last year, even that small amount of funding was cut. As a

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nation, we're stuck in a rut, less than 1% of the gas stations sell e-85. It's time for this country to make a serious investment in renewable fuels, and that's going to mean, as I said, more flex fuel vehicles, it's also going to mean investment in cellulosic ethanol, acknowledging that we're not going to have all this ethanol based on corn, we're not going to have just soybean-based biodiesel, but that there's all kinds of possibilities as we move forward for how we're going to get our ethanol. And we need to be creative about that, and we need to put the investments in place and put the standards in place. But what we need if we're going to do this is the pumps on the ground.

That's why we have an amendment, Senator Bond and I, to give grants for ethanol and biodiesel pumps. It would be enough for 1,000 to 2,000 new pumps, which would nearly double or triple what we have now. I'm also introducing an amendment that would block oil company tactics to keep renewable fuels out of gas stations. I've heard from gas stations in Minnesota that their franchise contracts make it difficult to sell ethanol and biodiesel and so many of them can't even do it.

Here's some examples -- now, remember, these are just dealing with gas stations in which they have franchise contracts involving the oil companies. They're not allowed to sell renewable fuels under the main canopy that bears the oil company name. They're not allowed to convert the pumps they already have to sell e-85 or b-20, and they can't put up signs to let customers know they have renewable fuel or how much it costs.

That's why I call it the right to retail renewable fuel. I mean look what we have on the other side. We have these oil companies, Mr. President. Last year, Exxon made -- what -- \$29 billion in profit, a record, and the big five oil companies made \$120 billion, and now they're blaming ethanol, the small amount these 1,200 pumps across the country at 170 gas stations are blaming that for the reason that they can't do anything about their refineries, it's outrageous.

We need to encourage co competition. That's what I'm trying to do with the right to retail renewable fuel. This amendment would prohibit oil companies from placing restrictions on where and how renewable fuels can be sold at gas stations. This will ensure that franchise owners across the country have the ability to make ethanol and biodiesel available to their customers.

In conclusion, Mr. President, I believe that ethanol and biodiesel have tremendous potential to meet the energy needs of our country. Again, I think of the ethanol industry as like the beginning of the computer industry when we had the big computers in the room. That's where we are. It's going to become more efficient, it's going to become better for the environment, and it's going to become less costly as we move forward.

That's why we're moving into things like cellulosic ethanol that can be grown on marginal farmland, that is carbon-neutral, that takes less energy to produce. I believe that these alternative fuels will move us toward energy independence in the immediate term, not decades from now.

I believe we have to use the energy bill before us as an opportunity to invest in renewable fuels and to make them available to every American driver. I believe, Mr. President, that we should be investing in the farmers and the workers of middle America and not the middle east. Thank you, Mr. President. I yield the floor, and I suggest the absence of a quorum.